

COMPARISON OF PRINCIPAL PROVISIONS OF THE  
U. S. CIVIL SERVICE AND CIA RETIREMENT SYSTEMS

ITEM	CIVIL SERVICE RETIREMENT (CSR)	CIA RETIREMENT (CIAR)	COMMENTS
<u>Contributions</u>	Employee - $6\frac{1}{2}\%$ of basic pay Agency - $6\frac{1}{2}\%$ of basic pay	Same	
<u>Annuity Formula</u>	Based on average salary for highest paid consecutive five years ("high-5") and years of creditable service:  1 $1\frac{1}{2}\%$ of high-5 x 1st 5 years +1 $3\frac{3}{4}\%$ of high-5 x 2nd 5 years +2% of high-5 x remaining years	Based on average salary for highest paid consecutive five years ("high-5") and years of creditable service:  2% high-5 x total service	CIAR annuity is 3.75% of the high-5 average salary <u>more</u> than annuity computed under the CSR formula.
<u>Reduction for Age</u>	1% of annuity for each year under age 60 to age 55, and 2% of annuity for each year below age 55. No reduction for disability retirement.	None	A substantial reduction in CSR, e.g., 15% at age 50. <u>No reduction</u> in CIAR.

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<u>Optional Retirement</u>	Age 60 with 30 years service. Age 62 with 5 years service. Age 55 with 30 years service, but earned annuity reduced by 5%.	Age 50, upon application and with consent of DCI, with 20 years service, including 10 years CIA service of which 5 years are qualifying	CIAR permits volun- tary retirement <u>without reduction</u> <u>in annuity 10 years</u> <u>earlier</u> than CSR.
<u>Involuntary Retirement</u>	Any age with 25 years service. Age 50 with 20 years service. Earned annuity reduced pro- portionately for years under age 60.	Same except with no reduction for years of age under 60.	CIAR has no penalty reduction for age.
<u>Disability Retirement</u>	Any age with 5 years service. Minimum annuity guaranteed: Lesser of (1) 40% of high-5 <u>or</u> (2) annuity computed by extending service to age 60.	Same	

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<u>Mandatory Retirement</u>	Age 70 with 15 years service. (Not generally applicable to CIA employees under current Agency retirement policy).	GS-18 and above: Age 65. GS-17 and below: Age 60. Either group must have 5 years of Agency service.	The DCI may extend a participant's service for a period not to exceed 5 years under CIAR.
<u>Survivor Annuity to Spouse</u>	<p>Reduction to provide annuity for surviving spouse: If retiring employee elects such survivor annuity, his basic annuity (or lesser base if he chooses) is reduced <math>2\frac{1}{2}\%</math> of first \$3,600 plus 10% of balance.</p> <p>Amount of spouse's annuity: 55% of all or whatever part of retiring employee's earned annuity he specifies as the base.</p> <p>Termination of spouse's annuity: Death or remarriage.</p>	<p>Same</p> <p>Same</p> <p>Same</p>	Larger annuity provided for spouse under CIAR than CSR for same number of years service.

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<u>Survivor Annuity to Child</u>	Annuity provided for each unmarried child up to age 18, or over age 18 if incapable of self support, or to age 21 if full-time student. No reduction in retiring employee's annuity.	Same	
<u>Death in Service</u>	<p>Widow or dependent widower receives 55% of deceased employee's earned annuity. Terminates upon death or remarriage or when widower becomes capable of self support.</p> <p>Each surviving child is provided with same type of annuity as that afforded child of deceased annuitant.</p>	<p>Same</p> <p>Same</p>	Larger annuity provided for spouse under CIAR than CSR for same number of years service.

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<u>Disposition of Contributions</u>	If an employee or retiree dies, any contributions to the fund (plus any interest) not returned in annuity are paid in lump sum to his beneficiary. Likewise if a separated employee dies, his contributions (plus any interest) are payable to his beneficiary.	Same	
<u>Cost-of-Living Adjustments</u>	Effective 1 April of any year, upon price index rise of at least 3%, annuities which began earlier than 2 January of pre- ceding year will be increased by an equivalent percentage.	Same	